Part A – Fundamentals Accounting

1. On the death of partner his executors are paid the share of deceased partner in the profit of the firm till the date of his death. This amount is recorded in profit and loss ____ A/c
   is recorded in Profit and Loss
   
   - a) Adjustment
   - b) Appropriation
   - c) Suspense
   - d) Reserve

2. X Ltd makes an issue of 1,00,000 equity shares of Rs. 10 each payable as follows
   On Application – Rs. 5
   On Allotment – Rs. 2.5
   On Call – Rs. 2.5
   One shareholder, holding 5,000 shares did not pay the call money. His shares were forfeited
   and out of them 3,000 shares were reissued at Rs. 8 per share as fully paid. The amount of Capital Reserve will be Rs. _

   - a) 16,500
   - b) 31,500
   - c) 22,500
   - d) None

3. Premium on Redemption of Debentures A/c is ____A/c

   - a) Personal
   - b) Real
   - c) Nominal (Income)
   - d) Nominal (Expense)
4. The capital of a sole trader is affected by

   a) Purchase of raw material
   b) Commission received
   c) Cash received from trade receivables
   d) Purchase of an asset for cash

5. BRS is a part of

   a) Bank Account
   b) cash Book
   c) Financial Statements
   d) None

6. A Bill of Exchange matures on 16th July. Suddenly it was declared as bank strike and the next day is Sunday. Then the due date of bill will be

   a) 15th July
   b) 17th July
   c) 18th July
   d) 16th July

7. Salary payable to an employee Rs. 50,000/-. Which account is to be credited?

   a) cash A/c
   b) Salaries A/c
   c) outstanding Salaries A/c
   d) None

8. According to the Companies Act, 2013, preference shares are to be redeemed with in a period of_____ years.

   a) 20
9. Trial balance is prepared to locate _

- a) Clerical errors
- b) Omission errors
- c) Principle errors
- d) All of the above.

10. If there is no partnership deed, the profits will be shared by the partners _

- a) As per capitals ratio
- b) Equally
- c) As per seniority
- d) None of the above

11. Cost of acquisition, which is yet to be allocated is ___

- a) Accumulated cost
- b) Written down value
- c) Net realizable value
- d) None

12. For the year ended 31st March 2011, sales amounted to Rs. 20,00,000 (at 20% profit on cost), of which goods sold for Rs. 1,00,000 are lying in the godown of the seller at buyer’s risk. These goods are treated as a part of _

- a) Sales
- b) Inventory
- c) Sales returns
- d) None of these
13. All fixed assets are put together and all current assets are put together, under which of the following accounting stages?

- a) Recording
- b) Communication
- c) Analysis
- d) Interpretation

14. X and Y are partners sharing profits and losses in the ratio of 3:2. They admitted Z for 1/4 th share. The new profit sharing ratio will be __

- a) 9:6:5
- b) 9:8:5
- c) 9:5:6
- d) 5:6:9

15. The Suspense A/c facilitates the preparation of__ even if the has not been balanced.

- a) Trial Balance and Financial Statements
- b) Ledger and Trial Balance
- c) Trial Balance and Ledger
- d) Financial Statements and Trial Balance

16. A decrease in the provision for bad and doubtful debts results in___

- a) Increase in Net Profit
- b) Increase in Equity
- c) Decrease in Net profit
- d) Both (a) & (b)

17. Calculate depreciation for the 4th year under sum of years digits method
Cost of the asset Rs. 10,00,000
Life Time 5 years
Salvage value 10%

- a) Rs. 60,000
- b) Rs. 1,80,000
- c) Rs. 2,40,000
- d) Rs. 1,20,000

18. Mr. Z purchased goods for Rs. 20,00,00, and sold 4/5 th of goods for Rs. 22,00,000, of which he received Rs. 20,00,000 in cash. His expenses amounted to Rs. 2,50,000 during the year. Mr. Z counted the net profit as Rs. 1,50,000 for that year. Which concept is violated?

- a) Entity
- b) Periodicity
- c) Conservatism
- d) Accrual

19. As per Section 133 of the Companies Act, 2013, companies cannot use the securities premium for__

- a) The premium payable on redemption of debentures
- b) Bonus shares
- c) Commission or expenses on issue of securities
- d) Loss on issue of debentures

20. When the shares are issued to promoters for the services rendered by them ___ A/c will be debited.

- a) Cash or Bank A/c
- b) Goodwill A/c
- c) Preliminary expenses A/c
- d) None
21. The total of Discount column on the debit side of cash book is transferred to____

- a) Credit side of Discount allowed A/c
- b) Credit side of Discount received A/c
- c) Debit side of Discount allowed A/c
- d) Debit side of Discount received A/c

22. When recording of a transaction, substance of that transaction should be considered and not its legal form. This statement is according to____

- a) Substance over form
- b) Disclosure of Accounting Policy
- c) Both (a) & (b)
- d) None of the above

23. All of the following are the advantages of accounting standards, except____

- a) Accounting standards cannot override the statute
- b) Accounting standards reduce to a reasonable extent confusing variations in the accounting treatments.
- c) Accounting standards call for disclosure beyond that required by law
- d) Accounting standards facilitate comparison of financial statements of companies

24. Bill at sight means the instance at which____

- a) No time for payment is mentioned in the bill
- b) The payment is to be made on demand at any time
- c) The payment is made after a particular time
- d) Both (a) & (b)

25. The following are the features of perpetual inventory system except____
26. A sent to B goods of the invoice price of Rs. 2,00,000. 4/5 th of these goods were sold by B for 1,76,000. Commission is to be paid at 2% upto invoice price and 10% on any surplus price realized. What is the amount of commission?

- a) Rs. 4,800
- b) Rs. 3,640
- c) Rs. 2,000
- d) Rs. 8,000

27. In the absence of agreement, the partners are entitled to ___

- a) Interest on loan
- b) Interest on capital
- c) Salary
- d) Commission

28. As per the Companies Act, 2013 which of the following statements is false in respect of a Small Company?

- a) Paid up capital is less than Rs. 50,00,000
- b) Public company can be a small company
- c) Turnover is less than Rs. 2,00,00,000
- d) Small company is not required to prepare cash flow statement as a part of financial statements.

29. An inexperienced accountant prepared the following trial balance
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for bad debts</td>
<td>450</td>
<td>–</td>
</tr>
<tr>
<td>Bank Overdraft</td>
<td>1600</td>
<td>–</td>
</tr>
<tr>
<td>Capital</td>
<td>–</td>
<td>5200</td>
</tr>
<tr>
<td>Drawings</td>
<td>200</td>
<td>–</td>
</tr>
<tr>
<td>Discount allowed</td>
<td>–</td>
<td>800</td>
</tr>
<tr>
<td>Opening stock</td>
<td>2950</td>
<td>–</td>
</tr>
</tbody>
</table>

Find out the balance of Suspense A/C

- a) 3,300 Dr.
- b) 3,300 Cr
- c) 3,500 Dr.
- d) 3,500 Cr.

30. In the admission of a partner, the new partner is liable from__

- a) After the date of admission
- b) Before the date of admission
- c) Before and after the date of admission
- d) None

31. What will be the effect on Capital a/c after rectifying the following errors –

(i) Purchase of a cycle for Rs. 3,000 was debited to Conveyance A/c (Fixed assets are depreciated at 10%)
(ii) Credit purchase of goods from X for Rs. 2,500 was wrongly entered in the sales book
(iii) Cash received from Mr. A Rs. 1,500 was posted to the A/c of Mr. B
• a) Debited with Rs. 2,300
• b) Credited with Rs. 2,300
• c) Debited with Rs. 2,700
• d) Credited with Rs. 3,800

32. List price of the machinery purchased

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: – Trade discount</td>
<td>Rs. 6,30,000</td>
</tr>
<tr>
<td></td>
<td>Rs. 30,000</td>
</tr>
<tr>
<td></td>
<td>Rs. 6,00,000</td>
</tr>
<tr>
<td>Delivery Charges</td>
<td>Rs. 15,000</td>
</tr>
<tr>
<td>Erection Charges</td>
<td>Rs. 15,000</td>
</tr>
<tr>
<td>Annual Maintenance Charges</td>
<td>Rs. 25,000</td>
</tr>
<tr>
<td>Additional Spares to increase earning capacity</td>
<td>Rs. 40,000</td>
</tr>
<tr>
<td>Annual insurance premium</td>
<td>Rs. 10,000</td>
</tr>
</tbody>
</table>

Calculate depreciation for the 3rd year WDV method

• a) Rs. 51,840
• b) Rs. 54,270
• c) Rs. 56,295
• d) Rs. 57,105

33. Cash received from Ramesh Rs. 1,500, is recorded correctly in cash book, but debited to his account. Because of this error

• a) Trial balance shows Rs. 3,000 more on the debit side
• b) Trial balance shows Rs. 3,000 more on the credit
• c) Trial balance shows Rs. 1,500 more on the debit side
• d) Trial balance shows Rs. 1,500 more on the credit side

34. Government raised funds through taxes and spent them for the public expenditure. The deficit or surplus at the end of the year is

• a) Transaction
• b) An event
• c) Transaction as well as event
• d) Neither a transaction, nor an event

35. As per trial balance on 31-03-2014

Provision for bad debts Rs.1000
Bad debts Rs. 2000
Sundry debtors Rs. 30,600
Additional Information:
- Further Bad debts Rs. 600
- Make provision for doubtful debts – 5%
- Make provision for Discount on debtors – 2 %

Provision for discount on sundry debtors will be __

• a) 612
• b) 600
• c) 570
• d) 560

36. Amit & Anil are partners in the ratio of 5:3. Their capitals are Rs. 2,50,000, & Rs. 2,00,000 respectively. Atul was admitted and he brings Rs. 50,000 as capital and Rs.16,000 as his share of goodwill for 1/5 th share of profits.
Balance of Capital Accounts will be __

• a) 2,60.00 : 2,06,000 : 50,000
b) 2,20,000 : 1,82,000 : 66,000

c) 2,92,000 : 2,25,500 : 50,000

d) 2,82,500 : 2,19,500 : 66,000

37. The cash book showed a credit balance of Rs. 9,000, but the pass book made up to the same date revealed that a cheque of Rs. 2,000 had not been presented for payment and a cheque of Rs. 3,000 paid into account had not been cleared. The balance as per pass book will be:

a) Rs. 8,000
b) Rs.10,000
c) Rs. 14,000
d) None

38. HDC Ltd. Issued 10,000 – 12% Debentures of 100 each at Rs. 94, on 1 Jan, 2010. Under the terms of issue 1/5th of the debentures are redeemed annually. First redemption on 31/12/10. Calculate discount to be written off in 2013.

a) 8,000
b) 16,000
c) 20,000
d) 12,000

39. A, B & C are partners in a firm. B retired from the firm. Old profit sharing ratio is 2:2:1. After retirement A & C decide to share profit equally. They had taken a joint life policy of Rs.2,00,000 with the surrender value of Rs.40,000. What will be the amount to be credited to the partners’ capital account on receiving the JLP amount, if JLP a/c is maintained at surrender value?

a) Rs.2,00,000
b) Rs.40,000
c) Rs.1,60,000
d) None of these
40. Indian oil is a bulk distributor of petrol. A perpetual inventory of petrol on hand is taken when the books are closed at the end of each month. The following summary of information is available of month.

Sales – Rs.37,80,00
General Administration cost – Rs.1,00,000
Opening inventory:
1 lakh liters @ 12/- per liter -Rs.12,00,00
Purchases (including freight inward):
June – 1 2 lakh liters @ 11.40 Rs. Per liter.
June -30 1 lakh liters @ 12.12 Rs. Per liter.
June – 30 closing inventory. 1,30,000 liters.

Using the information given above compute the amount of cost of goods sold for the month of June using LIFO method.

- a) Rs. 31,50,000
- b) Rs. 27,00,000
- c) Rs. 32,60,000
- d) Rs. 31,80,000

41. Mr. Y gives the following information 31.03.2015

Inventory on 1st Jan.2014 – 1,60,500
Purchases – 4,80,000
Manufacturing expenses – 75,000
Administrative expenses – 33,000
Financial expenses – 18,000
Annual insurance – 6,000
Sales – 7,00,000
G.P is 20% on sales. Find net profit –
42. When goods are sold on sale or return basis casually and if the buyer accepted goods the entry will be _

- a) Trades receivables A/c Dr.
   To Sales A/c
- b) Sales A/c Dr.
   to Trades receivables A/c
- c) Sales A/c Dr.
   To Trading A/c
- d) No entry

43. Which of the following statements is false?

- a) Loss on reissue should not exceed the amount forfeited
- b) When shares are reissued at a loss such loss is debited to Forfeited shares a/c
- c) If loss on reissue is less than the amount forfeited the surplus should be transferred to Capital reserve a/c
- d) If the reissued amount and forfeited amount exceeds the face value of shares reissued the excess amount is always credited to Share forfeited a/c

44. Profits & Losses of Mr. Rathore were –

2011- 12 4,00,000 Profit
2012 -13 3,60,000 Profit
2013 – 14 60,000 Loss
2014 – 15 5,00,000 Profit
Capital employed is Rs.15,00,000. Market rate of interest on investment is 10%. Rate of risk return on capital invested is 2%. Remuneration of alternative employment of the proprietor if not engaged in business is Rs. 60,000 p.a. Calculate the value of goodwill at 5 years purchases super profits on the basis of average profit of the last 4 years.

- a) 4,50,00
- b) 7,50,00
- c) 6,00,000
- d) 3,00,000

45. X and Y entered in a joint venture

X supplied goods worth Rs. 60,000 and paid Expenses Rs. 6,000.
Y supplied goods worth Rs. 14,000 and paid Expenses Rs. 1,000.

Y sold the goods for Rs.1,00,000 and he is entitled to a commission of 5% on sales. Find the profit on Joint Venture.

- a) 14,400
- b) 14,000
- c) 13,000
- d) 13,200

46. A firm has 8 employees, each getting a salary of Rs. 8,000 p.m. After 1st Jan 2014 their salaries increased by 10%. On 1st July, 2014 they employed two trainees at salary of Rs. 2,500 each per month. The firm paid 11 months salaries
only and has to pay the last one month’s salaries. The amount of total salary paid and outstanding salaries as on 3-12-2014 will be:

- a) 7,04,000; 69,000
- b) 7,99,400; 75,400
- c) 7,64,000; 64,000
- d) None of these

47. The trial balance of a trader contains the following items-
Trade receivables – Rs. 3,20,000
Provision for Bad & doubtful debts – Rs. 17,000
Bad debts – Rs. 20,000

Further information: – Provide 5% for bad & doubtful debts.
Find out the amount to be transferred to Profit and Loss a/c?

- a) Rs. 18,000
- b) Rs. 19,000
- c) Rs. 17,000
- d) Rs. 20,000

48. Change in accounting estimate means the difference between:

- a) Certain parameters estimated earlier, and re-estimated during the current period.
- b) Certain parameters estimated earlier, and actual results achieved during the current period.
- c) Certain parameters re-estimated during the current period and actual results achieved during the current period.
- d) Both (a) and (b)

49. Use the following information for questions –
Consider the following data pertaining to W Ltd. as on March 31, 2015

Share capital:
Issued, Subscribed Called-up 20,000 shares of Rs, 100 each) – 20,00,000
Calls in arrear – Rs. 10,000
Profit and loss account (Cr.) as on April 1, 2014 – Rs. 67,000
Profit for the year – Rs. 1,90,610

The company wants to create a debenture Redemption Reserve and to transfer Rs. 50,000 every year out of profits to redeem the debentures. The company declared 10% dividends.

The balance of Surplus after effecting above transactions =

- a) Rs. 6,000
- b) Rs. 68,100
- c) Rs. 8,610
- d) Rs. 6,810

50. 5,000 meters of cloth was sent out on consignment basis at an invoice price of Rs. 30 per -meter, which were purchased by consignor at rice of Rs. 20 per meter. Consignor’s expenses amounted to Rs. 5,500. Consignee’s expenses amounted to Rs. 2,000. Consignee sold 4,000 meters at Rs. 40 per meter. He is entitled to a commission of 5% on total sales plus a further 20% of any surplus realized above the invoice price. Due to fall in the market price, the inventory of cloth is to be reduced by 10%. Calculate the profit on consignment?

- a) Rs. 54,500
- b) Rs. 63,500
- c) Rs. 56,400
- d) Rs. 55,490

51. M/s X, Y and Z are in retail business. The following information is obtained from their
records for the year ended 31-03-2014. Goods received from suppliers Rs.17,25,000 (subject to trade discount & taxes) Trade discount 3% and Sales Tax 11% Packaging & Transportation Charges Rs.95,000 Sales during the year Rs.25,00,000 Selling price of closing inventory Rs.4,00,000. Find out the historical cost of inventory by using Adjusted selling price method.

- a) Rs.2,50,680
- b) Rs. 2,69,280
- c) Rs.2,14,575
- d) None

52. X Ltd.’s profit and loss account for the year ended 31st December, 2011 includes the following information

Depreciation – 84,500
Bad Debts – 2,500
Increase in provision for doubtful debts – 22,000
Proposed dividend – 73,200
Retained profit for the year – 1,22,000
Liability of tax – 26,400
State what amounts should be transferred to:- (i) Provisions (ii) Reserves (iii) Neither related to provisions nor reserves

<table>
<thead>
<tr>
<th>Prov</th>
<th>Res</th>
<th>No Prov/Res</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) 1,21,600</td>
<td>1,22,000</td>
<td>87,000</td>
</tr>
<tr>
<td>b) 95,200</td>
<td>1,22,000</td>
<td>1,13,400</td>
</tr>
<tr>
<td>c) 1,22,000</td>
<td>95,200</td>
<td>Nil</td>
</tr>
<tr>
<td>d) 1,22,000</td>
<td>1,21,600</td>
<td>Nil</td>
</tr>
</tbody>
</table>

53. A and B are partners sharing profits and losses in the ratio of their effective capital. They had Rs. 1,00,000 and Rs. 60,000 respectively in their capital accounts
as on 1st January, 2011. A introduced a further capital of Rs. 10,000 on 1st April, 2011 and another Rs. 5,000 on 1st July, 2011. On 30th September, 2011, A withdrew Rs. 40,000. On 1st July, 2011, B introduced further capital of Rs. 30,000. The partners drew the following amount in anticipation of profit. A drew Rs. 1,000 per month at the end of each month beginning from January, 2011. B drew Rs. 1,000 on 30th June, and Rs. 5,000 on 30th September. Calculate the ratio of effective capitals?

- a) 1:1
- b) 5:3
- c) 2:3
- d) 4:3

54. The bank balance as per Cash book on 31st December is Rs. 8,560. From the following particulars find out the bank balance as per pass book

(i) On 18th December, the debit balance of Rs. 1,700 was recorded as Credit balance in cash book

(ii) A Cheque of Rs. 500 issued was recorded twice in the cash book

(iii) A cheque of Rs. 250 issued, was not recorded in cash book

(iv) Dividend collected Rs. 250 and subscription paid Rs. 100 by bank were not recorded in cash book.

- a) Rs. 12,360
- b) Rs. 7,560
- c) Rs. 10,660
- d) Rs. 12,660

55. E Ltd. sends out its accounting machines costing Rs. 200 each to their customers on sales or return basis. All such transactions are however, treated like actual sales and are passed through the day book. Just before the end of the financial year, i.e., on December 24, 2011, 300 such accounting machines were
sent out at an invoice price of Rs. 280 each out of which only 90 accounting machines are accepted by the customers at Rs. 250 each and as to the rest no report is forthcoming. What is total effect on sales?

- a) Sales will be reduced by Rs. 61,500
- b) Sales will be increased by Rs. 61,500
- c) Sales will be increased by Rs. 60,000
- d) No effect

56. Goods will be sent on consignment at invoice price which is 20% above cost. 1/5 th of the goods costing Rs. 60,000 were damaged in transit. Find out invoice price of the goods sent on consignment?

- a) 3,75,000
- b) 3,00,000
- c) 3,60,000
- d) None

Part B – Mercantile Laws

61. A finder of a purse on the road in a market is duty to trace the real owner of purse. If finder does not do so, he shall be guilty of __

- a) Extortion
- b) Theft
- c) Criminal misappropriation of property
- d) None

62. In case of ____ in addition to the implied condition as to the merchant ability there is another implied condition that the goods shall be wholesome

- a) Silver
63. What are the rights available for an unpaid seller?

- a) Right to resale
- b) Right to stoppage of goods in transit
- c) Right to lien
- d) All of the above

64. A partner without having real interest, can give the name to the partnership?

- a) Active partner
- b) Dormant partner
- c) Nominal partner
- d) None of the above

65. Damages which are in the nature of penalty.

- a) Vindictive damages
- b) Nominal damages
- c) Ordinary damages
- d) None of the above

66. When partnership is compulsory dissolved?

- a) All the partners are insolvent
- b) Firms business become unlawful
- c) All but not one becomes insolvent
- d) All of the above
67. __ is a stipulation collateral to the main purpose of the contract which creates right to claim damages and not to rescind the contract

- a) Condition
- b) Warranty
- c) Both condition and warranty
- d) Neither condition nor warranty

68. An unregistered firm is not a

- a) Legal association
- b) Illegal association
- c) Association of person
- d) None of the above

69. Under Indian Partnership act 1932, In the absence of any agreement to the contrary all the partners of the firm are-

- a) Entitled to profits in capital ratio @0
- b) Entitled to profits according to ~¢nty
- c) Entitled to profits equally
- d) Entitled to profits according to their balance in current account.

70. Under the sale of goods act, 1930. The risk prima facie passes with __

- a) Ownership
- b) Transit
- c) Discharge of contract
- d) Delivery of goods

71. The liability of a newly admitted partner in a partnership firm_

- a) Liable to the debts before admission
72. The court in a case, may order specific performance of the promise made by a party in a contract

- a) When a contract is voidable
- b) When damages are adequate remedy
- c) When defaulting party is not ready to pay damages
- d) When damages are not adequate remedy

73. caveat emptor means___

- a) Buyer should not be careful while buying
- b) Buyer should be careful while buying
- c) Seller is responsible to tell the buyer
- d) None of these

74. In which of the following cases restraint of trade is valid?

- a) Mutual agreement
- b) Sale of good will
- c) Business contingency
- d) All of the above

75. One person wants to travel from Tirupathi to Chittgong, The bus travelling from Tirupathi to Chittgong comes to the bus station. It is an

- a) Implied offer
- b) Express offer
- c) Specific offer
76. Which of the following is not an implied warranty?

- a) Warranty as to undisturbed possession
- b) Warranty as to dangerous nature of goods
- c) Warranty as to existence of encumbrances
- d) Warranty as to custom or usage of trade

77. In the absence of partnership deed partners are entitled to

- a) Salary
- b) Interest on loan
- c) Interest on capital
- d) Share of profits in capital ratio

78. ‘X’ agreed to purchase a ring from ‘S’. X believed that ring was a diamond. S knows that X was under a mistake and did not disclose the fact. Then x can

- a) Cannot cancel the contract
- b) Can cancel the contract
- c) Can cancel the contract under fraud
- d) Can claim for damage

79. X & Y entered into a contract, one part is legal and another is illegal the legal & illegal, part is not separable than the contract is

- a) Valid
- b) Void
- c) Voidable
- d) None

80. _____denotes that the parties to a contract are not bound under the contract.
81. A partner cannot demand his proportionate share of premium from other partners at the time of dissolution of partnership

- a) In case of premature dissolution
- b) By death of one partner
- c) Mainly due to misconduct of partner paying premium
- d) Any of the above

82. On a dissolution of a firm the partners selling the goodwill of a firm cannot

- a) Carry on a similar business
- b) Compete with the business sold by them to purchaser
- c) Represent themselves as carrying on old business
- d) All of the above

83. A entered into partnership agreement with B. In which A makes an advance to the firm in addition of capital to be contributed by him, after dissolution of firm

- a) A is not entitled to claim interest on his advances
- b) After dissolution of firm A’s right is retained to his capital only not to advances
- c) A will be entitled to interest till firm earn profits
- d) A is entitled to claim interest till date of dissolution

84. A is a manufacturer of Ball Pens. He advertises in the trade press that in future the retail price of his pen will be Rs.5 and strict action will be taken against who is not observing this price. B had read the advertisement, but he forget and retails the Pen at Rs.8. Advice A?
a) A can take a serious action against ‘B’ because it was clearly written in the advertisement
b) A cannot take any action as there is no privity of contract between A and B.
c) A cannot take any action as it is an unintentional mistake
d) A can take a serious action because B had reed the advertisement before retailing.

85. X nephew ran away from house. Y the servant of X find the X’s nephew without knowing the X reward for finding nephew.

a) Y cannot recover because he cannot accept the offer
b) Y cannot recover any expenditure incurred by him
c) Y can recover from X
d) Y can recover by order of court.

86. ‘N’ singer contracted with a theatre manager to sing a song. Due to her illness she failed to perform the contract, she received 20,000 as advance

a) N must refund Rs.20,000
b) N need not refund Rs.20,000
c) They must enter into new agreement
d) None of these

87. X is minor who had broken his left arm then doctor had treated him. How can the doctor regain his cost of treatment

a) minor parents are liable
b) Minor is liable
c) He cannot recover because the agreement with minor is void-ab-initio
d) Minor personal property is liable
88. Viru agrees to buy the crop of rice that would yield in Y’s farm located in Punjab at the rate of Rs.2,000 per 100 kg. This deals under the sale of goods act 1930

- a) Agreement for sale of present goods
- b) Contract of sale
- c) Agreement to sale of future goods
- d) None of the above

89. If X,Y,Z are partners and Z is murdered by ‘W’. W comes with a proposal to enter into partnership and Y objects. What is the situation?

- a) Estate of ‘W’ is liable after Z’s death
- b) “W” is liable after ‘Z’s death
- c) Z’s estate is liable for the debts before his death
- d) Z’s estate is not liable for the debts after his death

90. A,B,C and D are carrying on business of mobile exports. A was well aware of the price of mobile and good knowledge in the purchasing of mobiles. A made personal transaction in the name of the firm.

- a) A will not be liable for firm
- b) It is enough to inform about his private business
- c) A has to account personal profits to firm
- d) A has done fraud

91. Mohan invited Sohan for a dinner. Sohan by expending Rs.200 went to Mohan’s house. By the time Sohan reached Mohan’s house it was locked and Sohan stayed in a hotel. Can Sohan

- a) Sue Mohan for damages
- b) Cannot Sue against Mohan
- c) Sue Mohan for the total charges
- d) None
92. Peter buys a mosquito killer machine assuming that it is worth 50,000/-. But actually it costs 5000/-. The remedy available to Peter

- a) He can avoid contract on the ground of mistake
- b) He can’t avoid contract on the ground of mistake
- c) He can claim Rs.5,000
- d) He can claim Rs.50,000

93. A share of partners in a partnership firm?

- a) Can be transferred according to terms and conditions of deed
- b) Can be transfer with the consent of other partners
- c) Cannot be transfer at all
- d) Can be transfer with the consent of recognized stock exchange

94. If any one of the joint promisors makes a default in making contribution. How will it be settle down by other promisors?

- a) Representative of promisor will be liable to contribution
- b) Contribution will be dismissed automatically
- c) Representative of a promisor will be liable along with other joint promisors
- d) The remaining joint promisors will be liable to contribute.

95. Kedar promised to pay Rs.500 to car repairer the car repairer incurred expenses but Kedar refused to pay the agreed amount. Is the car repairer can?

- a) Car repairer can claim incurred expenses
- b) The car repairer can claim Rs. 5000
- c) Car repairer cannot claim Rs. 5000
- d) Car repairer cannot file a suit
96. Under the sale of goods act 1930, In case the seller delivers to the buyer a quantity less than the goods brought under the contract, the buyer

- a) May reject the whole goods delivered
- b) Should not reject the goods delivered as more quality might he demanded
- c) May resell the goods delivered
- d) Gives price less than contracted price for the goods delivered.

97. An agreement with minor is

- a) Valid
- b) Void ab initio
- c) Voidable agreement
- d) None of these

Key – Part A – Fundamentals Accounting

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### Key – Part B – Mercantile Laws

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